

# FEDERAL BUREAU OF INVESTIGATION

6P

Form No. 1  
THIS CASE ORIGINATED AT **CHICAGO** SECURITY INFORMATION - CONFIDENTIAL

REPORT MADE AT <b>CHICAGO, ILLINOIS</b>	DATE WHEN MADE <b>2/12/53</b>	PERIOD FOR WHICH MADE <b>12/11, 17/52; 2/2, 3/53</b>	REPORT MADE BY <b>PAUL M. O'NEILL</b> <span style="float: right;">FMS:HPM/ab</span>
TITLE <b>Dr. LAJOS SCHMIDT, wa. Louis Schmidt; MAGDA SCHMIDT, was. Magda Schmidt, Mrs. Magda Schmidt; Mrs. Lajos Schmidt, Mrs. Louis Schmidt</b>			CHARACTER OF CASE <b>INTERNAL SECURITY - R</b>

**SYNOPSIS OF FACTS:**

MICROFILMED  
JUL 22 1967  
DOC. MICRO. SER.

LOUIS SCHMIDT and MAGDA SCHMIDT reside at 4853 South Elmwood Avenue, Chicago, Illinois. MAGDA SCHMIDT denied being a Hungarian KAPO Agent while employed by the United States Military Mission, Budapest, Hungary, 1946. LOUIS SCHMIDT advised he was supervisor for a munitions plant in Rumanian Republic and denied that he was employed in the exporting of munitions. LOUIS SCHMIDT advised that his father, Dr. LAJOS SCHMIDT, who resides in Hungary, was forced to work for a longer salary in the medical profession but is definitely against the Communist domination of Hungary.

- 6 -

**DETAILS:**

**AT CHICAGO, ILLINOIS**

On December 11, 1952, SAs JAMES L. PAPPAS and the writer interviewed LOUIS SCHMIDT and his wife, MAGDA, in the Chicago Office.

**BIOGRAPHY**

**Birth Data**

LOUIS SCHMIDT advised that he was born on April 23, 1909 at Budapest, Hungary. His wife, MAGDA SCHMIDT, advised that she was born on July 21, 1909 at Budapest, Hungary.

**Education**

LOUIS SCHMIDT advised that to date he has received no word concerning

APPROVED AND FORWARDED <i>[Signature]</i> SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT ① Bureau (100-377601) (Registered) ② Memphis (100-377601) (Index) (Registered) ③ Chicago (100-377601)	This is an FBI investigative report and makes no recommendation for clearance or disapproval.

PROPERTY OF FBI—THIS CONFIDENTIAL REPORT AND ITS CONTENTS ARE LOANED TO YOU BY THE FBI AND ARE NOT TO BE DISTRIBUTED OUTSIDE OF AGENCY TO WHICH LOANED.

★ U. S. GOVERNMENT PRINTING OFFICE 16-50885-2

SECURITY INFORMATION - Confidential

FOR COORDINATION WITH FBI

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE METHOD EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2006

CO 105-1049

his present citizenship status, which is still pending Congressional action.

It is to be noted that the Immigration and Naturalization records at Newark, New Jersey, reflected that United States Senator ALEXANDER W. WEAVER of New Jersey introduced a bill, number SB655, in the Senate of the United States 82nd Congress, second session, on February 14, 1952, for the relief of LOUIS SCHMIDT and his wife, MAGDA, in that they be granted permanent residence in the United States.

These records also indicate that Representative AUCHINCLOSS introduced a bill, number HR-6679, in the House of Representatives, 82nd Congress, second session, on February 18, 1952, for the relief of LOUIS SCHMIDT and his wife MAGDA in that they be granted permanent residence in the United States.

#### Employment

LOUIS SCHMIDT advised that he was presently employed with a law firm by the name of Baker, McKinnis and Hightower, which is located at 1 North LaSalle Street, Chicago, Illinois.

Mrs. MAGDA SCHMIDT advised that she was employed by the Time-Life Publishing Company, 221 North LaSalle Street, Chicago, Illinois.

#### Residence

LOUIS SCHMIDT advised that he presently resides at 4853 South Kimbark Avenue, Chicago, Illinois, and can be reached at telephone number Sagner 4-1194.

#### Relations

LOUIS SCHMIDT advised that his sister, CATHERINE BAROSY, nee SCHMIDT, did reside in Chicago, Illinois. However, she presently resides in Australia.

#### INFORMATION CONCERNING ALLEGATIONS

MAGDA SCHMIDT was alleged to be a Hungarian KAPO Agent, according to information received from T-1, of known reliability, on September 25, 1946.

Mrs. SCHMIDT advised that she had worked for a Hungarian Credit Bureau in Budapest from 1939 to 1945. Prior to her resignation from this employment, she stated that she was requested to join one of the political parties that comprised the coalition government of Hungary, one such group was known as the "Small Holders Party." Mrs. SCHMIDT advised that she did not join any of these parties.

Mrs. SCHMIDT further related that in June, 1946, she obtained employment at the United States Military Mission, Budapest, Hungary, through the aid of ESTHER SUZNA, an employee at the mission and a personal friend who now resides in the United States. In 1946 Mrs. SCHMIDT stated that she was able to obtain employment with the American Embassy in the Consulate Visa Section through the assistance of one Lieutenant Colonel JAMES D. WILKETH, when her employment terminated with the Military Mission. MAGDA SCHMIDT advised that she worked in this department as an interpreter because of her linguistic abilities. While employed in this capacity, she became acquainted with SELDEN CHAPIN, the United States Minister at the American Legation.

Mrs. SCHMIDT stated that while she was employed at the American Embassy, an article appeared in the Hungarian newspaper which accused her of being an agent of the United States Government. She stated that all this came about because of some letters that were censored by the Hungarian authorities which reflected that one former Hungarian industrialist by the name of WILLIAM LOTSOS, who was residing in the Dominican Republic, corresponded with LOUIS SCHMIDT and desired to obtain some of his former skilled workers who lived in Hungary to come to the Dominican Republic to work.

MAGDA SCHMIDT advised that WILLIAM LOTSOS had been a client of her husband in some legal matters. The Hungarian press accused Mrs. SCHMIDT of attempting to obtain passports illegally for the workers in order that they might leave Hungary and go to the Dominican Republic.

Mrs. SCHMIDT advised that these allegations were untrue and that at no time had she ever engaged in any activities that would be considered questionable.

Mrs. SCHMIDT stated that in April, 1948, she was able to flee from Hungary and join her husband in Italy through the assistance of Minister CHAPIN.

MAGDA SCHMIDT emphatically advised that at no time had she ever operated as a Hungarian agent and at no time did she ever furnish any information considered vital to the United States Government or any other information to the Hungarian or Soviet authorities in Hungary.

LOUIS SCHMIDT's Statement Regarding His  
Departure from Hungary and Employment  
in the Dominican Republic

LOUIS SCHMIDT advised that he had received his doctorate in 1943 at Pecs, Hungary, and took an apprenticeship at a law firm operated by STEPHEN POZEL. Mr. SCHMIDT stated that STEPHEN POZEL is presently residing in Canada.

CO 105-1049

On May 27, 1944, Mr. LOUIS SCHMIDT advised that he was arrested by the Nazi occupation forces and was detained for approximately eight weeks for investigation. SCHMIDT stated that he was released from custody because of his proposed enrollment into the Hungarian Army. LOUIS SCHMIDT advised that with the aid of several Hungarian military officers he was able to avoid serving with the Hungarian Army and fled to Transylvania. SCHMIDT stated that he was interned by the Nazis because he was accused of helping some Jewish people.

On August 25, 1944, LOUIS SCHMIDT stated that the Russian Army entered Hungary and reached Budapest on December 2, 1944. On January 16, 1945, he was arrested by the Soviet authorities but escaped four days later and returned to Budapest. LOUIS SCHMIDT advised that he was again taken into custody by the Hungarian Military Police on April 23, 1945, on the charge of being "an enemy of the masses." LOUIS SCHMIDT advised that he was released after 18 days of confinement.

On September 13, 1947, LOUIS SCHMIDT advised that he received a visitor's passport to go to Italy on a business trip. He stated that he had no intention of returning to Hungary after he had once left. LOUIS SCHMIDT stated that he married MAGDA SCHMIDT on June 30, 1945, but that she was unable to accompany him on this trip.

LOUIS SCHMIDT advised that while in Italy, he resided with VITTORIA CERRETI, who was a bank president in Genoa, Italy.

LOUIS SCHMIDT stated that he had made arrangements while in Italy to work in the Dominican Republic. This employment was made available through the assistance of his former alias, WILLIAM LOTSO. LOUIS SCHMIDT stated that he received a Dominican Republic passport and both he and his wife left Italy on October 16, 1948.

LOUIS SCHMIDT advised that he and his wife first went to Brazil in November of 1948 and then went to the Dominican Republic on December 8, 1948. LOUIS SCHMIDT advised that before he arrived at the Dominican Republic, his friend WILLIAM LOTSO was no longer employed there and was residing in Venezuela. LOUIS SCHMIDT stated that he nevertheless received employment as a supervisor at the government arms factory, Armaria de Ejercito, also known as de Hispanola Corporation. SCHMIDT stated that this factory manufactured arms for the Dominican Republic. SCHMIDT stated that this company was not engaged in the exportation of arms.

LOUIS SCHMIDT advised that he resigned from the Government Munition Plant in September, 1951, because he did not like the manner in which this plant was

being operated. He stated that the munitions plant lacked proper management and that his suggestions were given no consideration. Mr. SCHMIDT stated that on October 15, 1951, he and his wife left the Dominican Republic and flew to Puerto Rico. After two weeks in Puerto Rico, they flew to New Brunswick, New Jersey, on November 1, 1951. LUIS SCHMIDT stated that he and his wife stayed with Mrs. SCHMIDT's brother-in-law, JOHN NAGY, who resided at 35 Brookside Avenue, New Brunswick, New Jersey.

MAGDA SCHMIDT's Employment  
in Dominican Republic

Mrs. SCHMIDT advised that she obtained employment with the Mercantile Internationale Company of the Dominican Republic which was engaged in the import and export business. MAGDA SCHMIDT stated that she had only worked there for two or three weeks. She also stated that she obtained employment with a London, Amsterdam, Zurich Assurance Group (LAZAO) through the aid of Mr. BAKER of Baker, McKinnis and Nighthawer, a legal firm in Chicago. MAGDA SCHMIDT stated that Mr. BAKER was a friend of her husband's sister, CATHERINE SCHMIDT, who resided in Chicago. Mrs. SCHMIDT stated that she worked here for two or three months and the company was finally dissolved.

MAGDA SCHMIDT stated that this company (LAZAO) was a client of Baker, McKinnis and Nighthawer, and it was Mr. BAKER who advised STANLEY MYLEN, President of this company, to hire Mrs. SCHMIDT. Mrs. SCHMIDT stated that she also worked for the Compania Importadora-Exportadora de Maquinaria y Textiles, but remarked that she was the only employee of this concern since it was just beginning. She stated that she did not remain with the company for more than a few weeks because an individual by the name of LOUIS ORTEGA OLLER took her place.

Mrs. SCHMIDT stated that the Mercantile Internationale Company exported and imported textiles and the Compania Importadora-Exportadora de Maquinaria y Textiles was incorporated for the primary purpose of dealing with machinery. Mrs. SCHMIDT stated that these firms were not engaged in exporting munitions.

LOUIS SCHMIDT stated that while he was employed by the Government Munition Plant in the Dominican Republic, he did not perform any services for Baker, McKinnis and Nighthawer since he did not become affiliated with this organization until he came to Chicago, Illinois.

Information Concerning the Father  
of LOUIS SCHMIDT

LOUIS SCHMIDT advised that his father, Dr. LAJOS SCHMIDT, was a renowned surgeon in Budapest before the Soviet occupation. SCHMIDT stated that at

CG 105-1049

the present time his father is doing medical work equivalent to internship and receives a very meager wage because of his lack of co-operation with the present regime.

SCHMIDT stated that he has sent many packages and much money to his folks in Hungary to help them survive. SCHMIDT stated that his father's services are mandatory and he knows definitely that his father has never associated voluntarily with the Hungarian Communists.

Mr. SCHMIDT related an incident in which his father was dismissed from work for four months because he was seen at a church service. This dismissal caused undue hardship on the SCHMIDT family because they received no subsistence during that time.

LOUIS SCHMIDT also advised that his father displayed a definite antipathy for EDITH KEIL, the Hungarian Minister to the United States, because of professional rivalry.

LOUIS SCHMIDT advised that he had corresponded with his father by the use of the mails. However, he stated that he had not been able to send any parcels to Hungary as he had done before because these parcels are no longer delivered.

#### Association with Dr. ALEXANDER STRELINGER

MAGDA SCHMIDT was questioned regarding her choice of Dr. ALEXANDER STRELINGER who performed her operation in Elizabeth, New Jersey, in November of 1951. MAGDA SCHMIDT stated that the Doctor was recommended to her by Reverend LOUIS BALINT, a Presbyterian minister, who resides in New Brunswick, New Jersey.

It is to be noted that T-3, of known reliability, advised in 1950 that Dr. ALEXANDER STRELINGER, 650 North Broadstreet, Elizabeth, New Jersey, was believed to have been affiliated with either the Independent Progressive Party of New Jersey or the Communist Party in February, 1950 and August, 1950.

According to T-3, of known reliability, who advised on May 14, 1951, that the Independent Progressive Party of New Jersey has been controlled by the Communist Party, a majority of its functionaries were Communist Party members and one of the major jobs of the Communist Party has been to build up the Independent Progressive Party in New Jersey.

The Communist Party, USA, has been cited by the Attorney General, pursuant to Executive Order 9835, as a subversive organization which seeks to alter the form of government of the United States by unconstitutional means.